

Message Text

UNCLASSIFIED

PAGE 01 BONN 18365 01 OF 04 211512Z

53

ACTION SPC-03

INFO OCT-01 EUR-25 EA-11 ISO-00 SS-20 IO-14 EB-11 A-01

DRC-01 RSC-01 /088 W

----- 069833

P R 211454Z DEC 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 9427

INFO USDOC WASHDC

USMISSION BERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

AMEMBASSY TOKYO

AMEMBASSY VIENNA

UNCLAS SECTION 01 OF 04 BONN 18365

EE.O. 11652: GDS

TAGS: ETRD

SUBJECT: EFFECTIVENESS IN OVERSEAS COMMERCIAL FUNCTION

REFS: (A) STATE 239800; (B) BONN 08754; (C) BONN 17819

SUMMARY: ALL OF US WORKING IN A COMMERCIAL ROLE THROUGH-
OUT GERMANY APPLAUD YOUR DETERMINATION TO ACHIEVE
EXCEPTIONAL PERFORMANCE BY THE FOREIGN SERVICE IN ITS
OVERSEAS COMMERCIAL ROLE. I SPEAK FOR ALL WHEN I STRESS,
IN PARTICULAR, OUR SATISFACTION AT YOUR EMPHASIS ON THE
NECESSITY FOR A LASTING AND THOROUGH STRENGTHENING OF THE
COMMERCIAL FUNCTION. I AM PLEASED TO SUBMIT A NUMBER OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 18365 01 OF 04 211512Z

SPECIFIC RECOMMENDATIONS FOR IMPROVEMENT. SINCE THIS

EMBASSY HAS COMMENTED BEFORE ON SERVICE-WIDE ISSUES, I AM LIMITING MY PROPOSALS MAINLY TO MEASURES WHICH WOULD HELP TO IMPROVE THE COMMERCIAL PROGRAM IN GERMANY. THESE MEASURES INVOLVE REPROGRAMING OF EXISTING RESOURCES, THE INFUSION OF SOME ADDITIONAL RESOURCES, AND THE COOPERATION OF STATE AND COMMERCE. OF PRIORITY IMPORTANCE IS OUR RECOMMENDATION FOR A SATELLITE TRADE CENTER IN DUESSELDORF. WE ALSO PROPOSE INTER ALIA A BUSINESS INFORMATION CENTER IN COLOGNE, DEVELOPMENT OF A LOCAL INITIATIVE TRADE EXHIBIT PROMOTION PROGRAM, THE CREATION OF A UNIFIED TRADE EXHIBIT STAFF AND DEVELOPMENT OF A COMMERCIAL BUDGET FOR GERMANY. THESE SUGGESTIONS ARE MADE TO IMPROVE THE EFFICIENCY AND PRODUCTIVITY OF OUR COMMERCIAL EFFORT IN GERMANY AND TO ENABLE US TO TAKE AS FULL ADVANTAGE AS POSSIBLE OF THE EXPANDING TRADE OPPORTUNITIES AFFORDED BY THE GERMAN ECONOMY. END SUMMARY

1. I APPRECIATE THIS OPPORTUNITY TO ACQUAINT YOU WITH CERTAIN ASPECTS OF OUR COMMERCIAL PROGRAM FOR GERMANY, AND TO POINT OUT AREAS IN WHICH WE BELIEVE THAT IMPROVEMENTS CAN BE MADE THROUGH THE CAREFUL REPROGRAMING OF OUR RESOURCES, THE LIMITED INFUSION OF NEW RESOURCES AND THE COOPERATION OF STATE AND COMMERCE. TO VIEW OUR COMMERCIAL PROGRAM IN ITS PROPER CONTEXT, IT MUST BE KEPT IN MIND THAT GERMANY IS AMERICA'S THIRD LARGEST EXPORT MARKET. IT IS ALSO A RAPIDLY EXPANDING MARKET MADE MORE ATTRACTIVE TO AMERICAN EXPORTERS BY THE DEVALUATION OF THE DOLLAR.

2. SUBSTANTIAL COMMERCE AND STATE COMMERCIAL RESOURCES HAVE OVER THE YEARS BEEN ALLOCATED TO EXPLOIT THE EXPORT OPPORTUNITIES AFFORDED BY THE GERMAN ECONOMY. THE HIGHLY DECENTRALIZED NATURE OF THIS ECONOMY HAS ALSO ADDED TO THE NEED FOR THE COMMITMENT OF A HIGH LEVEL OF RESOURCES WHICH ARE APPORTIONED AMONG EIGHT DIPLOMATIC AND CONSULAR POSTS AND THE US MISSION IN BERLIN. ALTHOUGH THE RESOURCE INVESTMENT IS HIGH, WE DO NOT BELIEVE THAT IT IS SUFFICIENT TO TAKE FULL ADVANTAGE OF THE OPPORTUNITIES OFFERED BY THE GERMAN MARKET AND THE EFFECTS OF DOLLAR UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 18365 01 OF 04 211512Z

DEVALUATION. MOREOVER, WE HAVE BEEN GREATLY DISTURBED IN THE RECENT PAST TO NOTE THAT RESOURCES THAT WE NORMALLY HAVE RELIED ON TO SPEARHEAD OUR EXPORT DRIVE HAVE BEEN DIVERTED TO OTHER AREAS. I HAVE IN MIND SPECIFICALLY THE CONTINUING REDUCTIONS IN OUR COMMERCE TRADE FAIR PROGRAM WHICH, FOR FY 1975, HAS BEEN LIMITED TO TWO RELATIVELY MINOR EFFORTS AND ONE FULL SCALE SHOW. MOST RECENTLY WE HAVE LEARNED THAT THIS VERY MODEST SCHEDULE MAY BE FUR-

THER REDUCED.

3. MY COMMERCIAL STAFF HAS HAD OCCASION IN THE PAST TO
DETAIL THE ADDITIONAL NEEDS OF THE COMMERCIAL PROGRAM IN
GERMANY TO EXPAND ITS EFFECTIVENESS. I MIGHT QUICKLY RE-
FER TO OUR FY 1975 COMMERCIAL BUDGET SUBMITTED IN REF B.
THAT MESSAGE OUTLINED IN SOME DETAIL THE ADDITIONAL PER-
SONNEL, TRAVEL FUNDS, REPRESENTATION ALLOWANCES, EQUIP-
MENT, FURNISHINGS AND FACILITIES WE BELIEVE ARE REQUIRED

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BONN 18365 02 OF 04 211525Z

53

ACTION SPC-03

INFO OCT-01 EUR-25 EA-11 ISO-00 SS-20 IO-14 EB-11 A-01

DRC-01 RSC-01 /088 W

----- 069973

P R 211454Z DEC 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 9428

INFO USDOC WASHDC

USMISSION BERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

AMEMBASSY TOKYO

AMEMBASSY VIENNA

UNCLAS SECTION 02 OF 04 BONN 18365

TO IMPROVE OUR COMMERCIAL PROGRAM.

4. LISTED BELOW ARE A NUMBER OF ADDITIONAL SUGGESTIONS FOR IMPROVING THE COMMERCIAL PROGRAM IN GERMANY AS WELL AS SOME PROPOSALS THAT WERE MADE PREVIOUSLY WHICH, BECAUSE OF THEIR IMPORTANCE, I BELIEVE DESERVE REPETITION.

5. SATELLITE TRADE CENTER: WE CONTINUE TO ENDORSE STRONGLY THE ESTABLISHMENT OF A SATELLITE TRADE CENTER AS PART OF THE CONSULATE GENERAL IN DUESSELDORF WHICH HAS UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 18365 02 OF 04 211525Z

TRADE PROMOTION RESPONSIBILITIES FOR AN AREA CONTAINING ABOUT 30 PERCENT OF GERMAN INDUSTRY. OUR PROPOSAL FOR SUCH A FACILITY HAS ELICITED SOME POSITIVE INTEREST IN COMMERCE AS A MEANS OF COMPLEMENTING THE ACTIVITIES OF THE US TRADE CENTER IN FRANKFURT. WE NOW BELIEVE THAT THROUGH JUDICIOUS REPROGRAMING OF RESOURCES AND WITH THE COOPERATION OF THE TRADE CENTER AND USIS, NO ADDITIONAL PERSONNEL WOULD BE REQUIRED TO OPERATE THE SATELLITE CENTER. WE ESTIMATE THAT A ONE-TIME INVESTMENT OF \$35,000 WOULD BE REQUIRED TO CONSTRUCT AND EQUIP A SATELLITE CENTER AND PERHAPS \$2-3,000 PER YEAR WOULD BE NEEDED FOR ANNUAL MISCELLANEOUS EXPENSES. A MESSAGE ON THIS SUBJECT WILL BE FORWARDED WITHIN THE NEXT FEW WEEKS. THERE IS NO DOUBT IN OUR MINDS THAT A SATELLITE FACILITY OPERATED BY THE DUESSELDORF CONSULATE GENERAL WOULD MAKE A SUBSTANTIAL CONTRIBUTION TO OUR TRADE PROMOTION EFFORTS IN GERMANY.

6. BUSINESS DEVELOPMENT CENTER, COLOGNE: WE WISH TO REITERATE OUR PROPOSED ESTABLISHMENT OF A BUSINESS DEVELOPMENT IN COLOGNE. AS OUTLINED ON PAGE 6 OF REFTEL B, THIS FACILITY IS CONCEIVED AS A ONE-STOP BUSINESS INFORMATION CENTER WHERE GERMAN BUSINESSMEN CAN FIND A BROAD RANGE OF AMERICAN PRODUCT CATALOGS AND OTHER PRODUCT LITERATURE, AND WHERE THEY CAN OBTAIN PERSONALIZED ASSISTANCE IN CONTACTING AND ORDERING FROM AMERICAN FIRMS. USIS/BONN HAS INDICATED ITS WILLINGNESS TO MAKE SPACE AVAILABLE TO US IN THE AMERICA HOUSE IN COLOGNE AT NOMINAL COST. WE ESTIMATE THAT START-UP COSTS WOULD BE ABOUT \$3,000 AND ANNUAL MAINTENANCE COSTS WOULD BE ABOUT THE SAME. AN FSL AND POSSIBLY A SECRETARY WOULD BE NEEDED TO OPERATE THIS FACILITY, AND THESE ADDITIONAL POSITIONS WOULD HAVE TO BE AUTHORIZED BY WASHINGTON.

7. LOCAL INITIATIVE SHOW PROMOTION PROGRAM: THE SUBSTANTIAL REDUCTION OF FUNDS FOR COMMERCE PARTICIPATION IN GERMAN TRADE FAIRS HAS LED US TO THE CONCLUSION THAT

WE MUST TAKE POSITIVE STEPS OURSELVES TO ASSURE THE PRESENCE OF NEW-TO-MARKET AND OTHER AMERICAN FIRMS IN KEY TRADE FAIRS IN GERMANY. WE PROPOSE, THEREFORE, WITH THE COOPERATION OF USIS, TO RELIEVE COMMERCE OF PART OF THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 18365 02 OF 04 211525Z

FINANCIAL BURDEN OF STAGING AND PROMOTING CERTAIN SHOWS. IN RETURN, WE WOULD EXPECT THAT COMMERCE WOULD NOT FURTHER REDUCE ITS SHOW SCHEDULE HERE AND WOULD IN FACT, TRY TO EXPAND IT, UTILIZING THE FUNDS SAVED AS A RESULT OF NOT HAVING TO SEND SHOW PROMOTION STAFF TO GERMANY ON TDY. WE HAVE ALREADY STATED IN REFTEL C OUR WILLINGNESS TO REPROGRAM OUR RESOURCES TO ACHIEVE THIS GOAL. IN ADDITION, WE WILL IN THE NEAR FUTURE PROPOSE PARTICIPATION IN AN IMPORTANT GERMAN FAIR IN FY 75 TO BE ORGANIZED ALMOST ENTIRELY BY THE EMBASSY AND COOPERATING POSTS IN GERMANY WITH ONLY VERY LIMITED SUPPORT FROM COMMERCE.

8. UNIFIED COMMERCIAL EXHIBIT STAFF: WE HAVE IN THE PAST URGED THE ESTABLISHMENT OF A UNIFIED COMMERCIAL EXHIBIT STAFF IN GERMANY WHICH WOULD BE ATTACHED TO THE TRADE CENTER IN FRANKFURT. THIS STAFF WOULD HAVE FULL RESPONSIBILITY FOR ALL COMMERCIAL EXHIBITS IN GERMANY AND OBTAIN THE NEED FOR SENDING SPECIAL COMMERCE PERSONNEL TO GERMANY FOR THIS PURPOSE. GIVEN OUR LIMITED SHOW SCHEDULE, WE BELIEVE THAT A VERY MODEST INCREASE IN THE TRADE CENTER STAFF COULD ACCOMPLISH THIS PURPOSE WITH ADDITIONAL PERSONNEL DETAILED TO THE TRADE CENTER FROM THE POSTS AS REQUIRED. THE GREATER EFFICIENCY OF SUCH AN ARRANGEMENT COMPARED TO THE PRESENT SYSTEM OF SENDING PERSONNEL FROM COMMERCE IS OBVIOUS AND WOULD CONTRIBUTE SIGNIFICANTLY TO OUR ABILITY TO UNDERTAKE LOCAL INITIATIVE SHOWS AS WELL AS IMPLEMENTING REGULARLY SCHEDULED COMMERCE EXHIBITS.

9. COMMERCIAL BUDGET FOR GERMANY: NO FUNDS SPECIFICALLY

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BONN 18365 03 OF 04 211527Z

53

ACTION SPC-03

INFO OCT-01 EUR-25 EA-11 ISO-00 SS-20 IO-14 EB-11 A-01

DRC-01 RSC-01 /088 W

----- 070006

P R 211454Z DEC 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 9429

INFO USDOC WASHDC

USMISSION BERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

AMEMBASSY TOKYO

AMEMBASSY VIENNA

UNCLAS SECTION 03 OF 04 BONN 18365

EARMARKED FOR THE COMMERCIAL PROGRAM IN GERMANY ARE PROVIDED THE EMBASSY. IN TURN, THE EMBASSY IN ALLOCATING FUNDS TO POSTS IN GERMANY, DOES NOT SPECIFY THOSE THAT ARE TO BE USED FOR COMMERCIAL PURPOSES. IN CONJUNCTION WITH CURRENT EFFORTS IN WASHINGTON TO DEVELOP A JOINT STATE-COMMERCE COMMERCIAL BUDGET, WE SUGGEST THAT FUNDS BE MADE AVAILABLE TO THE EMBASSY SPECIFICALLY FOR SUPPORT OF THE COMMERCIAL PROGRAM, AND THAT THEY BE ALLOCATED BY THE ECON/COMMERCIAL MINISTER TO THE POSTS. THESE FUNDS WOULD BE FOR OFFICIAL COMMERCIAL REPRESENTATION, TRAVEL, COMMERCIAL FSL PERSONNEL, LIBRARIES, EQUIPMENT, FURNISH-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 18365 03 OF 04 211527Z

INGS, AND TRADE FAIR PARTICIPATION PURPOSES, ETC. BONN WOULD BE PLEASED TO COOPERATE WITH STATE AND COMMERCE IN DEVELOPING A BUDGET FOR THE COMMERCIAL PROGRAM IN GERMANY. WE BELIEVE THAT BY HAVING A COMMERCIAL BUDGET FOR GERMANY WE WILL BE BETTER ABLE TO COORDINATE TRADE PROMOTION ACTIVITIES AND REPROGRAM OUR RESOURCES TO IM-

PROVE THE OVERALL EFFICIENCY AND PRODUCTIVITY OF THE COMMERCIAL PROGRAM.

10. THE FOLLOWING SUGGESTIONS, WHILE IMPORTANT, ARE OF A LOWER ORDER OF PRIORITY:

A. VISITS TO POSTS: THERE ARE PROBABLY FEW POSTS IN THE FOREIGN SERVICE NOT CONFRONTED, TO A GREATER OR LESSER DEGREE, WITH THE PROBLEM OF FACILITATING VISITS OF US GOVERNMENT OFFICIALS. WHILE MANY OF THESE VISITS CONTRIBUTE TO THE OVERALL EFFECTIVENESS OF OUR ECONOMIC AND COMMERCIAL PROGRAM IN GERMANY, MANY DO NOT FALL INTO THIS CATEGORY. THE LATTER CONSTITUTE A SERIOUS DRAIN ON OUR LIMITED RESOURCES RESULTING IN THE DIVERSION OF MANY MAN-HOURS FROM TRADE PROMOTION ACTIVITIES. PERHAPS THE DEPARTMENT COULD DESIGNATE REGIONAL CONTROL OFFICERS TO INFORM RECIPIENT POSTS AS FAR IN ADVANCE AS POSSIBLE OF IMPENDING VISITS, GIVING FULL DETAILS OF THE NATURE OF THE VISIT, INCLUDING THE TYPE OF ASSISTANCE REQUIRED. THE CONTROL OFFICER, AFTER CONSULTATION WITH THE POST, COULD ADVISE A PROSPECTIVE VISITOR WHEN IT MIGHT BE MUTUALLY ADVANTAGEOUS FOR THE VISIT TO TAKE PLACE. HE COULD ALSO HELP TO DISCOURAGE REPEATED VISITS FOR THE SAME OR SIMILAR PURPOSES AND TRY TO LIMIT THE DEGREE OF ASSISTANCE THAT THE POST WOULD BE ASKED TO PROVIDE. HE COULD CERTAINLY HELP AVOID THE MOST DIFFICULT PROBLEM OF ALL: LAST-MINUTE SCHEDULE CHANGES. THESE AND PERHAPS OTHER EFFORTS BY WASHINGTON COULD ASSIST POSTS MOST HEAVILY BURDENED WITH THIS PROBLEM TO SCHEDULE THEIR COMMERCIAL (AND OTHER) ACTIVITIES SO THAT THEY SUFFER MINIMUM DISRUPTION AS A RESULT OF SUCH VISITS.

B. NON-IOGA TRADE MISSIONS: NON-IOGA TRADE MISSIONS ARE SUPPOSED TO RECEIVE ONLY LIMITED ASSISTANCE FROM THE POSTS. IN MANY INSTANCES, HOWEVER, THEY RECEIVE CONSID-

UNCLASSIFIED

PAGE 03 BONN 18365 03 OF 04 211527Z

ERABLE ASSISTANCE BECAUSE POSTS FEEL THEY ARE NOT IN A POSITION TO TURN DOWN SUCH REQUESTS FROM THE POLITICALLY PROMINENT INDIVIDUALS WHO OFTEN LEAD OR SPONSOR NON-IOGA MISSIONS. THIS REPRESENTS A SIGNIFICANT DIVERSION OF POST PERSONNEL FROM HIGHER PRIORITY TRADE PROMOTION ACTIVITIES. WE SUGGEST THAT COMMERCE ASSIST POSTS TO TAKE A FIRMER STAND WITH RESPECT TO NON-IOGA MISSIONS BY INDICATING, IN EACH INSTANCE, THE MAXIMUM DEGREE OF ASSISTANCE THE POST IS EXPECTED TO PROVIDE. THE DEGREE OF ASSISTANCE TO BE PROVIDED WOULD BE DETERMINED BY TAKING INTO ACCOUNT THE SIZE AND WORKLOAD OF THE POST AND THE USEFULNESS OF THE MISSION IN HELPING THE COMMERCIAL PROGRAM ACHIEVE ITS OBJECTIVES. SIGNIFICANT SAVINGS OF

TIME AND RESOURCES OF THE COMMERCIAL PROGRAM COULD RESULT FROM THIS APPROACH.

C. FOREIGN TRAVEL ANNOUNCEMENT SERVICE: A GREATER EFFORT SHOULD BE MADE IN THE US TO PUBLICIZE THE FOREIGN TRAVELANNOUNCEMENT SERVICE SO THAT FEWER AMERICAN BUSINESSMEN ARRIVE HERE UNANNOUNCED. BY BEING ABLE TO SCHEDULE MEETINGS WITH SERIOUS AMERICAN BUSINESSMEN AND REVIEWING THEIR PRODUCT LINES AND MARKETING OBJECTIVES WELL IN ADVANCE OF THEIR ARRIVAL, POSTS WILL BE BETTER ABLE TO ALLOCATE THEIR LIMITED MANPOWER MORE EFFICIENTLY. IN PROMOTING THIS PROGRAM, COMMERCE SHOULD STRESS THE IMPORTANCE OF AMERICAN BUSINESSMEN KEEPING STRICTLY TO THEIR SCHEDULES SO THAT APPOINTMENTS WITH GERMAN BUSINESSMEN ARE NOT BROKEN WITH CONSEQUENT DAMAGE TO OUR RELATIONSHIPS WITH THE GERMAN BUSINESS COMMUNITY.

D. AGENT-DISTRIBUTOR SERVICE: POLICIES GOVERNING THE OPERATION OF THE AGENT-DISTRIBUTOR SERVICE SHOULD BE

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BONN 18365 04 OF 04 211532Z

53

ACTION SPC-03

INFO OCT-01 EUR-25 EA-11 ISO-00 SS-20 IO-14 EB-11 A-01

DRC-01 RSC-01 /088 W

----- 070055

P R 211454Z DEC 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 9430

INFO USDOC WASHDC

USMISSION BERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY BRUSSELS
AMEMBASSY TOKYO
AMEMBASSY VIENNA

UNCLAS SECTION 04 OF 04 BONN 18365

REVIEWED SO THAT ONLY THOSE REQUESTS WITHIN THE TARGET INDUSTRY SECTORS OR THOSE INVOLVING PRODUCTS WITH GOOD SALES POTENTIAL IN THE GERMAN MARKET ARE INCLUDED. A REVIEW OF OUR ADS REQUESTS OVER THE PAST SEVERAL MONTHS INDICATES THAT THE MOST HAVE BEEN FOR PRODUCTS OUTSIDE THE TARGET GROUPS. TIME SPENT BY POSTS SERVICING MAINLY LOW PRIORITY ADSS COULD BE BETTER SPENT PROMOTING PRODUCTS WITH MUCH GREATER SALES POTENTIAL. WE SUGGEST THAT THE FIELD OFFICES BE REQUESTED NOT TO SOLICIT ADS REQUESTS FROM BUSINESSMEN WHOSE PRODUCTS DO NOT MEET THE AFOREMENTIONED CRITERIA. CONSIDERATION SHOULD ALSO BE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 18365 04 OF 04 211532Z

GIVEN TO RAISING THE PRICES OF ADSS. THE CURRENT PRICE IS SO LOW THAT IT OFTEN APPEARS TO ENCOURAGE FIRMS HAVING VERY MARGINAL INTEREST IN OVERSEAS MARKETS TO REQUEST ASSISTANCE.

E. TRADE OPPORTUNITIES: WHILE THE NUMBER OF TRADE OPPORTUNITIES SUBMITTED TO WASHINGTON HAS INCREASED SUBSTANTIALY OVER THE LAST FEW YEARS, WE QUESTION WHETHER THE STRESS ON VOLUME IS REALLY IN THE BEST INTERESTS OF THE COMMERCIAL PROGRAM. OUR EXPERIENCE INDICATES THAT A VERY SMALL PROPORTION OF THESE TRADE OPPORTUNITIES ACTUALLY RESULTS IN EXPORTS FROM THE US. A MORE TARGETED APPROACH MAY BE CALLED FOR WHICH WOULD PRODUCE BETTER RESULTS AND WOULD BE GEARED MORE DIRECTLY INTO THE TOP SUBSCRIBER PROGRAM. WE SUGGEST THAT WASHINGTON CONSIDER PROVIDING GUIDELINES TO ENABLE US TO FOCUS OUR EFFORTS ON PRODUCTS THAT FALL WITHIN THE TARGET INDUSTRIES AND OTHER SECTORS WHICH WE DEFINE AS PROVIDING GOOD MARKET OPPORTUNITIES FOR US PRODUCTS. IN ADDITION, THE DEPARTMENT SHOULD PROVIDE POSTS WITH SPECIFIC AUTHORITY TO CONTACT US FIRMS DIRECTLY, EITHER BY MAIL, TELEPHONE, OR TELEX IF THE CIRCUMSTANCES WARRANT, IN ORDER TO ASSURE THAT THESE HIGH QUALITY TRADE OPPORTUNITIES ARE FULLY EXPLOITED. FINALLY, IMPROVED PROCEDURES IN COMMERCE ARE CALLED FOR TO AVOID DELAYS IN REPLYING TO "SPECIAL HANDLING" TRADE OPPORTUNITIES SUBMITTED BY THE POSTS.

F. PERSONNEL: THREE YEARS IS TOO SHORT A TOUR OF DUTY FOR A COMMERCIAL OFFICER IN A COMPLEX AND SOPHISTICATED MARKET SUCH AS GERMANY. MANY OF HIS IMPORTANT COMMERCIAL CONTACTS MUST BE PAINSTAKINGLY MADE OVER A PERIOD OF ONE TO TWO YEARS, AND FROM THAT POINT ON HIS PRODUCTIVITY BEGINS TO IMPROVE SIGNIFICANTLY. TO DERIVE MAXIMUM BENEFITS FROM THESE CONTACTS, THE COMMERCIAL OFFICER SHOULD BE PERMITTED TO REMAIN AT HIS POST FOR A MINIMUM OF FOUR YEARS. IN ADDITION, THE IMPORTANT ROLE OF GERMAN LOCAL COMMERCIAL PERSONNEL IN OUR PROGRAM CANNOT BE OVEREMPHASIZED. WE STRONGLY RECOMMEND THAT THEY BE GIVEN REGULAR OPPORTUNITIES TO VISIT THE US TO BECOME MORE FAMILIAR WITH THE EXPORT NEEDS OF AMERICAN INDUSTRY AND TO MEET WITH KEY STATE AND COMMERCE PERSONNEL INVOLVED IN THE

UNCLASSIFIED

PAGE 03 BONN 18365 04 OF 04 211532Z

EXPORT EXPANSION PROGRAM. DURING THE NEXT FEW YEARS, WE WILL BE FACED WITH THE DIFFICULT PROBLEM OF REPLACING MANY FSLs WHO WILL BE RETIRING. WE BELIEVE THAT HIRING RETIRED AMERICAN BUSINESSMEN IN EUROPE AS FSLs WOULD CONTRIBUTE SIGNIFICANTLY TO THE EFFECTIVENESS OF OUR COMMERCIAL EFFORTS. CONSIDERATION SHOULD BE GIVEN BY WASHINGTON TO ALLOWING US TO EMPLOY AMERICANS WHO ARE BILINGUAL AND HAVE EXTENSIVE CONTACTS WITHIN GERMAN INDUSTRY.

HILLENBRAND

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 21 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BONN18365
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731211/aaaaaibw.tel
Line Count: 523
Locator: TEXT ON-LINE
Office: ACTION SPC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: (A) STATE 239800; (B) BONN 08754; (C,) BONN 17819
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 24 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24-Aug-2001 by thomasv0>; APPROVED <28-Aug-2001 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EFFECTIVENESS IN OVERSEAS COMMERCIAL FUNCTION
TAGS: ETRD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005